THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (d). The State Government of Madhya Pradesh has informed that while no agreement has been signed by it with NECO Group of Industries to set up a pig iron plant at Siltara, an MOU has been signed on 9.7.94 between the Madhya Pradesh Audyogic Vikas Nigam Limited (MPAVN), s State Government Undertaking, and Nagpur Alldy Castings Limited to set up a unit to produce 5 lac tpa of HR Steel Coils which would be augmented to produce I million tonnes of flat products, at Siltae Growth Centre, Raipuir, Madhya Pradesh.

The State Government has further informed that according to the Company, the estimated project cost is around Rs. 1860 crores, the Company has agreed for providing employment opportunities to the land owners and to the local people as for as possible, and will also undertake to impart training to the local people to equip them for jobs. In all about 1970 persons in different categories would be employed.

Assistance tor Mini Steel Plant Industry

4338 SHRI YERRA NARAYANA-SWAMY: Will the Minister of STEEL be pleased to state:

(a) whether Government propose to assist the mini steel plant industry through fiscal policy and excise reduction;

" (b) if so, the objectives of the assistance;

(c) whether a large number of mini steel plants- are sick;

-£d) how many mini steel plants are not working with full capacity; and

(e) whether full capacity utilisation is the objective of granting various fiscal incentives?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (e) There are at present 181 Electric Arc Furnace (EAF) units. These units are primarily in the private sector. The EAF industry is characterised by a predominance of small sized furnaces which are not able to adopt modern technological features. Coupled with this, labour, financial and managerial problems faced by these units led to the closure of a number of units over a period ot time, and as on 30.6.94,85 units were reported to be closed. In addition, their recent performance has been adversely affected by the sharp rise in the international prices of scrap, which constitutes their basic raw material, and other factors like high power tariff, demand recessin etc. Government has reduced the import duty on steel melting scrap from 12.5% to 5% to improve the performance of the EAF units. In addition. State Governments have been advised to consider supplying uninterrupted power to these units, at concessional rates. Further more, measures like increased allocation in the 1994-95 budget to sectors like rural development, infrastructure etc., reduction in project import duty from 35% to 25%, extension of Modvat to capital goods, reduction of interest rate by 1 % are expected to improve the performance of steel plants.

Appointment in MECON

4339. SHRI DIPANKAR MUKHERJEE: Will the Minister of STEEL be pleased to state:

(a)whether it is a fact that Metallurgical and Engineering Consultatants India Limited (MECON), a Public Sector Undertaking, appoints a number of advisers who have retired from service of MECON (in the rank of Chief Engineers and above) or some unit of Steel Authority of India Limited; and

(b)if so, (i) how many of them are serving at present; (ii) whether they are advisers to the Chairman/Directors/ General MangaeryOthers or to some other officer; (iii) what are their functions; (iv) can the functions not be performed by the persons who were reporting to the adviser prior to the adviser's retirement from MECON; and if not, can it not be assumed that the person deliberately did not groom his subordinates with the motive to get himself appointed as adviser; and (v) what are the emoluments paid to the advisers and what are the perks?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) and (b) MECON has not appointed but engaged on contract basis 5 persons as Advisers who retired from the services in the rank of Chief Engineers or above

in different organisations including MECON and some units of Steel Authority of India Ltd. The period of engagement of these persons is generally 1-2 years. They have been engaged for specific assignments to assist the company for enhancing MECON's business activities to handle engineering, design assignments at different places to supplement the regular employees for meeting short term requirement of specialised nature in the overall interest of the company. They are paid varying amounts ranging from Rs. 2000 to Rs. 4250 per month with Industrial Deamess Allowance, House Rent Allowance, Local Travel Expenses as per merit of the case at different locations.

Developing new grades of alloy by SAIL

4340. SHRI RAMDAS AGARWAL: Will the Minister of STEEL be pleased to state:

(a) whether the Steel Authority of India Limited (SAIL) plans to develop new grades of alloy and special steels required by the auto industry/chrome plating etc. to achieve its targets for 1996-97 as compared to turnover of rupees 750 crores, last years;

(b)if so, the details thereof indicating details of value-added products by way of diversification programme being undertaken by the SAIL;

(c)what is the overall rate of performance and output during 1992-93, 1993-94 and so far in 1994-95 of SAIL;

(d)whether any substantial rise in exports during the same period has been achieved; and

(e)if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) (i) SAIL plant to give greater thrust to product innovation and development of new grades for special applications, including auto industry. The products have been broadly identified for development to raise the sales turnover from special steels/value-added products to about Rs. 3000 crores by 1996-97 from Rs. 750 crores in 1992-93.

(ii) New grades being developed for auto industry/chrome plating are SS409M/409 for exhaust system. LA60 for rear axle tube material, 49MnVS3 for crank shaft and EDD for deep formable auto body parts, super clean bal bearing steel.

(b) (i) Some of the value-added products identified for development are

API X65/X-70 grade line pipe steel plates. High tensile thick plates, Special grades of pressure vessel quality plates, Corrosion resistant high tensile structural steel plates, corrosion resistant ribbed bars.

CRGO steel, Quenched and tempered plates, Thin gauge galvanised sheets, other coated products (Galvalume). Corrosion resistance TMT bars, Concast billets of special steels.

API-X-65 grade spirally welded pipes, Cold rolled weather resistant SAIL COR steel, interstitial free deep drawn steel, SS-4011 grade deep drawn steel, etc.

(ii) 456 T of SS409M sheets were sold from SSP in 1993-94 for making automobile-exhaust system.

Value added products such as CRM rolls, grate bar, shear blade, hoiler tube, spring, concast roller & crane wheels were produced at ASP, Durgapur in the last two years by way of diversification programmes.

(Rs. in crores)

	1992-93 1993-94	1994-95	Plan upto 1994
Value added products		6.1	30.0

(c) (i) The exact production of each grade of steel depends on the market requirement. The output production performance of some of the value added products for 1992-93,1993-94 and 1994-95 so far (April-July, 1994) are as follows:—

(Unit "000 T)

	Item	1992-93	1993-94	1994-95
1.	BQ Plates	30.2	34.13	15.4
2.	SAIL-MA/high	8.7	36.8	13.5
3.	Tensile Plates	14.8	27.7	3 18